# Proposition 1 (2026): The Veterans and Affordable Housing Bond Act of 2026

On November 2, 2026, California voters approved Proposition 1 (Prop 1), the Veterans and Affordable Housing Bond Act of 2026. Prop 1 authorizes $11.25 billion in general obligation bonds to fund the following housing programs:

## MULTIFAMILY RENTAL HOUSING

**$5.1 billion** **Multifamily Housing Program (MHP).** MHP assists the construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households through loans to local governments and developers. At least 10% of units in an MHP development must be available for extremely low-income households. https://www.hcd.ca.gov/funding/mhp

**$750 million** **Portfolio Reinvestment Program (PRP).** PRP provides loans and grants to extend the long-term affordability of HCD-funded multifamily rental housing projects that have an affordability restriction that has either expired, that has a remaining term of less than 10 years, or are otherwise at-risk for conversion to market-rate housing. Grant and loans may be used for rehabilitation, or capital operating subsidies or replacement reserves. *Funds not encumbered by November 3, 2036 revert to MHP.* https://www.hcd.ca.gov/funding/prp

**$500 million** **Infill Infrastructure Grant (IIG) Program of 2019**. IIG provides grants to assist in the construction and rehabilitation of infrastructure that supports high-density affordable and mixed-income housing in locations designated as infill. *Funds not encumbered by November 3, 2036 revert to MHP.* https://www.hcd.ca.gov/funding/iig

**$200 million** **Community Anti-Displacement and Preservation Program (CAPP).** CAPP funds local programs that purchase and convert market rate housing units into affordable housing units. Units purchased with CAPP funds must include a deed restriction ensuring the housing units are affordable long term. *Any funds not allocated within the first three revert to MHP.*

## SPECIAL POPULATIONS

**$1.15 billion** **Supportive Housing (MHP-SH).** MHP-SH provides loans to developers for the construction or rehabilitation of a multifamily rental housing development, or conversion of a nonresidential structure, to a multifamily rental housing development that contains permanent supportive housing. Up to 15% shall be made available for the acquisition, conversion, or rehabilitation of interim housing to permanent housing (Homekey), the purchase of affordability covenants and restrictions for units, relocation costs for individuals who are being displaced as a result of rehabilitation of existing units, and capitalized operating subsidies for units purchased, converted, or altered with funds made available by this measure. Additionally, of the total, $150 million shall be used for youth housing, as specified. https://www.hcd.ca.gov/funding/archive/shmhp

**$450 million** **Joe Serna, Jr. Farmworker Housing Grant Program (Serna Program).** The Serna Program helps fund the construction, rehabilitation, and acquisition of housing units for agricultural workers, with a priority for lower-income households. *Funds not encumbered by November 3, 2036 revert to MHP.* https://www.hcd.ca.gov/funding/fwhg

**$350 million** **Higher Education Student Housing.** These funds shall be used as grants for the construction of student housing at the University of California and the California State University.

**$200 million** **Tribal Housing Grant Program Trust Fund (THGP).** THGP provides flexible, culturally appropriate funding to support the construction, rehabilitation, and management of affordable housing in Tribal communities. *Funds not encumbered by November 3, 2036, revert to MHP.* https://www.hcd.ca.gov/tribes/thgp

**$200 million** **Local Housing Trust Fund Matching Grant Program.** Funds competitive grants or loans to local housing trust funds that develop, own, lend, or invest in affordable housing and to create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing. *Any funds not encumbered within the first three years revert to MHP.* https://www.hcd.ca.gov/funding/lhtf

**HOMEOWNERSHIP**

**$600 million** **CalHome.** CalHome provides direct, forgivable loans to assist development projects involving multiple home ownership units, including single-family subdivisions, for self-help mortgage assistance programs, and for manufactured homes. *Funds not encumbered by November 3, 2036 revert to MHP.* https://www.hcd.ca.gov/funding/calhome

**$500 million** **CalHFA MyHome Purchase Assistance.** This program provides first and junior loan options for low- to moderate-income families, including low-interest rate down payment assistance loans. https://www.calhfa.ca.gov/homebuyer/programs/myhome.htm

**VETERANS HOMEOWNERSHIP**

**$1.25 billion** **Cal-Vet Farm and Home Loan Program.** This program provides below market interest rate loans, downpayment assistance, and exceptional insurance to veterans. The funds can be used for single-family residences, farms, units in cooperative developments, and mobilehomes in rental parks or on land owned by a veteran.
https://www.calvet.ca.gov/HomeLoans